

# Information Technology and Global Business Services in Latvia

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Latvia's IT sector provides substantial competitive advantages to investors, mainly through the availability of highly skilled IT professionals, language skills, and a combination of Western-style working culture with proximity to and knowledge of the Russian market. A highly developed communications and logistics infrastructure and very high labour productivity.

Global Business Services are also rapidly developing in Latvia. It is becoming very popular for companies from Scandinavian countries to choose Latvia as a place to locate their business service centres because of language knowledge, cultural compatibility, accessibility and cost effectiveness. In addition, a number of internationally known chemical producers have chosen Riga as their destination for shared service centres (SSC).

## Key Advantages

- A skilled, multilingual labour force and high investment in tangible assets contribute to productivity

- Well-developed export market

- Knowledge of foreign languages among IT professionals

- Superb efficiency of IT infrastructure

- Ease of access from any European country

- Western-style working culture

- Labour cost effectiveness

- Broadband—low cost, high performance

The Latvian IT sector began to evolve back in late 1950s with important institutes being established, including the Institute of Mathematics and Computer Science in 1959 and the Institute of Electronics and Computer Science in 1960. The sector accounts for around 4.3% of GDP in 2018. Many new businesses have been created in the IT sector, mainly micro enterprises employing staff of less than ten.

Proximity to Russia and knowledge of foreign languages among Latvian IT professionals, combined with a Western work ethic adds to the sector's appeal.

A highly developed logistics and communications infrastructure supports the development of Latvia's IT sector. Today, Latvia ranks among the top ten countries globally by average measured internet connection speed. High investment in tangible assets contribute further to the competitiveness of the IT sector in Latvia.

In 2012, the so called Baltic Highway was launched. It is a superior fiber-optic infrastructure that allows transmission of data from Russia and Asia via the Baltic States, Poland, and Germany at n\*10 Gbps data rates and can be increased further. This high capacity infrastructure offers investment opportunities for data-intensive companies in Latvia.

Currently all (100%) businesses must have access to computers as exchange of information with State Revenue Service (submission of annual reports) must be done electronically.

Government policies promote the use of IT solutions by businesses and the general public and are aimed at utilizing IT solutions to improve efficiency, be it by implementing e-government solutions in the public sector or by employing e-health solutions to reduce rising costs and improve service quality in the health care sector.

Business process support functions are a rapidly growing niche industry. Key functional coverage includes fields of finance & control, IT and customer service / help-desk, secondary functions include procurement, HR, CRM and market research services.

Approximately 50 SSCs and BPOs operate in Latvia, mostly in Riga, with around 9 000 employees, that is only 1.3 % of people living in Riga, therefore, new entrants are welcomed without significant impact on the existing players.

[Information and Communications Technology Companies in Latvia](#)

## Additional information

Latvian Information and Communications Technology Association: <https://likta.lv/en/home-en>

Latvian Internet Association: <https://www.lia.lv/en/info/about-us>

Institute of Mathematics and Computer Science: <http://www.lumii.lv/?lang=en>

Institute of Electronics and Computer Science: <http://www.edi.lv/en/home>

<https://www.liaa.gov.lv/en/invest-latvia/key-sectors/it-and-gbs>